



Governmental Leasehold  
Intangible Personal Property Tax Return  
For 2004 Tax Year

DR-601G  
R. 01/04



RDS validation only.  
Do not write or type in this space.

Handwritten Example	Typed Example
0 1 2 3 4 5 6 7 8 9	0 1 2 3 4 5 6 7 8 9
Use black ink.	

Mail return and check payable to:  
FLORIDA DEPARTMENT OF REVENUE  
5050 W TENNESSEE ST  
TALLAHASSEE FL 32399-0100

The Florida Legislature has provided that all leasehold estates, or any possessory interest created thereby, in property of the United States, the State of Florida, or any of its political subdivisions, municipalities, agencies, authorities, or other governmental units, are to be taxed as intangible personal property if the leased property is undeveloped or predominately used for a residential or commercial purpose, and rental payments are due in consideration of the leasehold estate or possessory interest. Lessees of governmentally owned property are required to file an annual intangible tax return, unless the leasehold estate qualifies for specific exemptions, beginning with the 1984 tax year.

If the calculated tax due is less than sixty dollars (\$60), no payment is required. However, the taxpayer should file this return without payment to avoid possible future contact regarding this filing period.

Our records are computerized and all information is maintained by account number. Your account number is your Social Security Number (SSN) or Federal Employer Identification Number (FEIN). Please refer to these numbers in all correspondence. Show your correct number on your return. Authority to require a Social Security Number is found in Chapter 12C-2 (formerly 12B-2), Florida Administrative Code.

HOW TO COMPUTE THE TAX

Line 1 **Annual Rental Payment** — To compute the value of your leasehold estate, determine the amount of annual market rent for the property and enter the amount on Line 1.

Line 2 **Valuation Factor** — Enter on Line 2 the valuation factor for the years remaining on the lease, from the Valuation Factor Table found on Page 4.

Line 3 **Taxable Amount** — Multiply the annual rental payment on Line 1 by the valuation factor on Line 2 and enter the result on Line 3.

Line 4 **Tax Due** — Multiply the amount on Line 3 by .001 (\$1 tax for each \$1,000 value) and enter the result on Line 4. If Line 4 is less than \$60, no payment is due.

Line 5 **Discount** — You may claim a discount for early payment. Consult the chart under the FILING DATE section on Page 3.

Line 6 **Penalty and Interest** (refer to details on Page 3) —

Line 6a. For returns filed after the due date, enter penalty amount due with the tax payment for delinquency and late-filing penalties.

Line 6b. For taxes paid after the due date, enter interest due with the late-filed tax payment.

Total the amounts on Line 6a and Line 6b and enter the sum on Line 6.

Line 7 **Total Payment Due** — For returns filed on or before the due date, subtract Line 5 from Line 4 and enter the result on Line 7. For returns filed after the due date, add Line 4 plus Line 6 and enter the result on Line 7.

Line 8 **Less Amount Paid with Extension** — Enter any amount paid with an extension on Line 8.

Line 9 **Payment Due** — Subtract amount on Line 8 from Line 7 and enter result on Line 9.

\*\*\*DO NOT DETACH COUPON\*\*\*

Governmental Leasehold Intangible Personal Property Tax Return

		US DOLLARS						DR-601G R. 01/04	
Name Address City/St/ZIP	FEIN								
	SSN (if no FEIN)								
	1. Annual Rental Payment								
	2. Valuation Factor								
	3. Taxable Amount								
	4. Tax Due Tax Rate \$1 per \$1,000								
	5. Discount See Instructions Above								
	6. Penalty and Interest a. Penalty \$ _____ b. Interest \$ _____								
	7. Total Due								
I hereby certify that this return has been examined by me and to the best of my knowledge is a true and correct return.	8. Less Amount Paid with Extension								
	9. Payment Due								
Signature of taxpayer	Date								
Title	Phone number (include area code)								

9999 9 99999999 0018015031 9 9999999999 9999 9

Taxpayer Name: \_\_\_\_\_

County Property Identification Number: \_\_\_\_\_

County Where Property Located: \_\_\_\_\_

Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_  
Area Code

Governmental Leasehold Tax Year: 2004

FEIN

□ □ - □ □ □ □ □ □ □ □

SSN (if no FEIN):

□ □ □ - □ □ - □ □ □ □ □ □

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**Schedule A**

Factors for valuation of each leasehold estate. Complete this supplemental schedule and mail with your return.

1. a. Name the governmental unit owning the property. \_\_\_\_\_  
b. To what governmental agency is the consideration or "rent" paid? \_\_\_\_\_  
c. Physical location of governmental property occupied (street, city, ZIP). \_\_\_\_\_
2. What is the legal description of the property? \_\_\_\_\_
3. a. Describe the property occupied. \_\_\_\_\_  
b. Describe the improvements belonging to the governmental unit. \_\_\_\_\_
4. a. Have you made improvements to this property? ( ) yes ( ) no  
b. Describe those improvements. \_\_\_\_\_
5. a. Do your improvements become the property of the governmental unit owning the location? ( ) yes ( ) no  
b. Describe your use of this property or the type of activity conducted at this location, and the number of years you have been at this location. \_\_\_\_\_
6. a. How long do you intend to occupy the property? \_\_\_\_\_  
b. Is there a written agreement between you and the governmental unit owning the property? ( ) yes ( ) no  
c. Is this agreement recorded in the official records of the county? ( ) yes ( ) no  
d. If so, what is the official record book and page number where recorded? \_\_\_\_\_
7. a. What is the term of your lease (in years)? \_\_\_\_\_  
b. How many years remaining as of January 1 of this tax year? \_\_\_\_\_
8. What is the amount actually paid for the privilege of using this property? \_\_\_\_\_
9. What is the basis for determining the amount of the rent stated in your lease agreement? \_\_\_\_\_
10. Is this consideration or "rent" paid weekly, monthly, yearly, or other? \_\_\_\_\_
11. Does the rent include payments for improvements? ( ) yes ( ) no
12. a. Do you file a tangible personal property tax return with the county property appraiser? ( ) yes ( ) no  
b. What county(ies)? \_\_\_\_\_
13. What is your estimate of the value of improvements you have made to this property? \$ \_\_\_\_\_
14. a. Does the governmental entity that owns the property share in the profit as a form of rent? ( ) yes ( ) no  
b. If so, what is the basis or formula used to determine the percentage or amount payable to the governmental unit? \_\_\_\_\_

Location address (if different than mailing address):

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_ County \_\_\_\_\_

Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_

Indicate changes to mailing address below:

Name \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_ County \_\_\_\_\_

Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_

# Instructions

## GENERAL INFORMATION

Florida law classifies a lessee's interest in property leased from a governmental unit as intangible property, where the lessee makes rental payments in consideration of the leasehold estate or possessory interest, whether the leased property is undeveloped or is used for a residential or a commercial purpose.

Nominal or token payments, such as \$1 or \$10 per year, are not considered rental payments for determining the taxation of the lessee's estate as intangible property.

A leasehold interest created by an original lease for 100 years or more, regardless of renewal options, is considered as creating an ownership right in the leased property and the property will not be classified as intangible property. Property financed, acquired or maintained using funds resulting from the issuance of bonds by Florida industrial development authorities or research and development authorities under Parts II, III, or V of Chapter 159, Florida Statutes, is considered to be owned and the lessee's interest is not classified as intangible property.

A lessee of governmental property will be exempt from annual intangible tax, provided the lease contract requires that the lessee provide space on the leasehold estate for use by a governmental entity. The provision applies retroactively, but does not open any closed period for refund.

Lessees leasing property **classified as agricultural land or land used exclusively for noncommercial public recreational purposes**, or leasing property used for a public purpose or function, and lessees qualified as an organization which uses the property for literary, scientific, religious or charitable purposes, are not subject to intangible tax on their leasehold interest.

If no rental payments are due under the agreement creating a leasehold estate, the leasehold estate is taxed as real property, not as intangible property. Personal property, buildings or other real property improvements owned by a lessee are assessed under Ad Valorem tax provisions, not as intangible property.

**Taxpayers with more than one lease MUST FILE a separate return for each location.**

## WHO MUST FILE

Every lessee of governmental property used for a residential or commercial purpose, or that is undeveloped, is subject to the intangible tax each year on the value of the leasehold estate on January 1 of each tax year, if rental payments are due in consideration for the leasehold estate.

If the 1 mill (\$1 per \$1000 value) annual tax levy on the value of the leasehold estate results in a tax of sixty dollars (\$60) or more, the lessee is required to file this return (Form DR-601G) and pay the tax.

If the tax due is less than sixty dollars (\$60), the taxpayer should file this return without payment of the tax to avoid unnecessary contact by the Department of Revenue.

*Natural persons are not entitled to the exemption for the governmental leasehold intangible personal property tax.*

## FILING DATE

The *Governmental Leasehold Intangible Personal Property Tax Return* (Form DR-601G) covering the leasehold estate is due January 1 and late after June 30. Returns not filed and taxes not paid by this date are delinquent. The date of postmark or date delivered to the Department is considered the date of payment.

A discount may be claimed for early filing provided payment is postmarked on or before the last day of the month of one of the following filing periods:

Discount Periods	Discount	If Submitted or Postmarked on or before
<b>January - February</b>	<b>4%</b>	<b>Sunday, February 29, 2004</b>
<b>March</b>	<b>3%</b>	<b>Wednesday, March 31, 2004</b>
<b>April</b>	<b>2%</b>	<b>Friday, April 30, 2004</b>
<b>May</b>	<b>1%</b>	<b>Monday, May 31, 2004</b>
<b>June</b>	<b>0%</b>	<b>No Discount Available</b>

**Example:** \$64.33 (tax) X .04 (January discount) = \$ 2.57 (discount allowed)

## EXTENSION OF TIME

A request for an extension of time for filing may be submitted for review. Form DR-602 must be received by the Department on or before June 30 of the tax year.

## PENALTY

The return, with full payment of tax, must be postmarked **no later than** June 30 of the applicable tax year to avoid penalty. If June 30 falls on a Saturday, Sunday, or a legal state or federal holiday and the return is postmarked or delivered to the Department on the next workday, it is considered timely.

**Delinquency penalty** is assessed on tax not paid by June 30. The penalty rate is 10% per month or portion of a month, not to exceed a maximum of 50% of the tax due.

**Specific late filing penalty** is assessed on tax returns postmarked after June 30. The penalty rate is 10% per month or portion of a month until the return is filed, not to exceed a maximum of 50% of the tax due.

The combined total of the delinquency penalty and specific late filing penalty will not exceed 10% per month or portion of a month, not to exceed a maximum of 50% of the tax due.

## INTEREST

Interest is due on the amount of tax not paid by June 30. A floating rate of interest applies to underpayments and late payments of tax. The rate will be updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. To obtain interest rates, contact the Department.

## OVERPAYMENTS OF TAX

If you have overpaid your tax and want a refund of the overpayment, you must submit an *Application for Refund* (Form DR-26). The Department cannot process your refund claim without this form. Filing an amended return does not qualify as a claim for refund.

If you have any questions, please call the Refund Subprocess at 850-488-8937 or write to: Florida Department of Revenue, Refund Subprocess, P.O. Box 6470, Tallahassee, FL 32314-6470.

**Tax information and forms are available online at: [www.myflorida.com/dor](http://www.myflorida.com/dor)**  
**For assistance, call Taxpayer Services, Monday - Friday, 8 a.m. – 7 p.m., ET, at 800-352-3671 or 850-488-6800. From the option menu, select *Information on Taxes or Forms*.**

Taxes paid prior to October 1, 1994, are barred from refund by a three (3) year statute of limitation. For taxes paid on or after October 1, 1994, but before July 1, 1999, the limitation for claiming a refund is extended to five (5) years. For taxes paid on or after July 1, 1999, the limitation for claiming a refund is three (3) years from the date the tax is paid.

#### AMENDED RETURNS/UNDERPAYMENTS OF TAX

If you discover that intangible property was undervalued on, or omitted from, your tax return, you should file an amended return. The amended return is to be completed in its entirety, as if it was an original filing. Pay only the additional tax due. If the return is postmarked after June 30, you will be subject to penalty and interest. Explain by separate letter, attached to the amended return, whether the property was undervalued or omitted.

#### VALUATION OF LEASEHOLD ESTATE

The just value of a lessee's leasehold estate or possessory interest to be reported on the return is determined by the rent payments for the remaining term of the lease, at the Federal Reserve - Atlanta - discount rate on the last business day of the previous year, plus one (1) percent.

Nominal or token payments are not used to value the lessee's interest. In such cases, the fair market rental for the leased property is the amount to be valued. If lease rental payments are based on some factor, such as a percentage of sales or profits, the average annual rental actually paid for a period not to exceed the previous five years should be used, provided the amount is not nominal or significantly less than fair market rental. If the average amount is a nominal or token amount, the lease rental payment to be valued shall be the fair market rental for the property. Market rent is the amount which would be paid annually for use of a property in the open market, as indicated by current rentals being paid for comparable property. This should be net rent to the owner or lessor after allowance for taxes, insurance or other expenses specifically itemized as part of the rental payment. Do not deduct any such payments that you as the user make.

The period for which the lease payments should be valued is the number of years remaining under the lease on January 1 of the tax year, exclusive of renewal options. The year in which the lease expires should be considered a full year for the purpose of determining the number of years remaining under the lease agreement. If, on January 1 of the tax year, less than one year remains under the lease agreement, the value is determined as if a full year remained and is then prorated for the number of months remaining under the lease agreement.

**Valuation Factor Table - 2004 (3%)**

YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR
1	0.9709	34	21.1318	67	28.7330
2	1.9135	35	21.4872	68	28.8670
3	2.8286	36	21.8323	69	28.9971
4	3.7171	37	22.1672	70	29.1234
5	4.5797	38	22.4925	71	29.2460
6	5.4172	39	22.8082	72	29.3651
7	6.2303	40	23.1148	73	29.4807
8	7.0197	41	23.4124	74	29.5929
9	7.7861	42	23.7014	75	29.7018
10	8.5302	43	23.9819	76	29.8076
11	9.2526	44	24.2543	77	29.9103
12	9.9540	45	24.5187	78	30.0100
13	10.6350	46	24.7754	79	30.1068
14	11.2961	47	25.0247	80	30.2008
15	11.9379	48	25.2667	81	30.2920
16	12.5611	49	25.5017	82	30.3806
17	13.1661	50	25.7298	83	30.4666
18	13.7535	51	25.9512	84	30.5501
19	14.3238	52	26.1662	85	30.6312
20	14.8775	53	26.3750	86	30.7099
21	15.4150	54	26.5777	87	30.7863
22	15.9369	55	26.7744	88	30.8605
23	16.4436	56	26.9655	89	30.9325
24	16.9355	57	27.1509	90	31.0024
25	17.4131	58	27.3310	91	31.0703
26	17.8768	59	27.5058	92	31.1362
27	18.3270	60	27.6756	93	31.2002
28	18.7641	61	27.8404	94	31.2623
29	19.1885	62	28.0003	95	31.3227
30	19.6004	63	28.1557	96	31.3812
31	20.0004	64	28.3065	97	31.4381
32	20.3888	65	28.4529	98	31.4933
33	20.7658	66	28.5950	99	31.5469
				100	31.5989